



# State of Utah

DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

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June 5, 2000

WB 6/6

around

mon  
DWH

TO: Lowell P. Braxton, Director

THRU: Mary Ann Wright, Associate Director

THRU: D. Wayne Hedberg, Permit Supervisor

FROM: Tom Munson, Reclamation Specialist

RE: Request for Release of Surety, Rancho Equipment Services, Topaz Valley Mine, M/023/022, Juab County, Utah

On May, 25, 2000, I inspected the Topaz Valley Limestone Quarry with Bob Thomas of Rancho Equipment Services (Rancho). Mr. Thomas requested that the inspection be made so that a reduction in surety bond could be attained as a credit for the reclamation work performed. The purpose of the inspection was to determine if the regrading of the quarry highwalls and spreading of topsoil was done appropriately in concert with their approved reclamation plan. The total area regraded was 18 acres, which I verified by GPS. This included the quarry area and a .4 mile long access road.

The last surety update occurred on 2/02/98 when the surety bond was escalated from \$35,300 (1999 Dollars) to \$40,900 in 2003 Dollars. A copy of the original 1994 bond estimate is attached. All the items in the original reclamation bond estimate have been completed except for the mulching and seeding. Rancho regraded an additional (approximately 2.2 acre) area. This regraded area is considered prelaw and not subject to regulation. This 2.2 acre area, along with the remainder of the disturbance (15.8 acres) totals 18 acres.

The Division will require the following monies be retained to complete the seeding and mulching of the 15.8 disturbed acres, as taken from the 1994 bond estimate: mulching (\$3,160), seeding (\$3,634), and equipment mobilization (\$1,000). This total of \$7,794, plus a 10 percent contingency (\$779), adjusting from 1994 dollars to year 2000 dollars (\$10,121) plus escalation to year 2005 dollars amounts to \$11,800. This amount will need to be retained out of the \$40,900 reclamation surety currently held by the Division, in order to satisfy the reclamation requirements. This amount will be retained until the revegetation standard has been met, at which time Rancho Equipment can then request the site and bond be fully released.

Thank you for your consideration of this request. If you agree to this reduction in surety, please sign the attached letter authorizing Rancho Equipment to reduce their surety to \$11,800. This mining project is located on BLM managed lands. The BLM Fillmore Field Office has given verbal concurrence with this reduction in surety, based on a phone call to Ms. Sheri Wysong of the BLM Fillmore office on 6/1/2000. They will provide us with formal documentation to this extent, shortly.

jb

Attachments: 1994 & 2000 bonding estimates, letter to Rancho  
m23-22-bnd

# SURVEY ESTIMATE UPDATE

Rancho Equipment Inc.

Topaz Valley Limestone

M023022

Juab County

Prepared by Utah Division of Oil, Gas & Mining

Last Update- March 16,2000

## DESCRIPTION:

Previous Reclamation Surety in \$2003 dollars was \$40,900 dollars

-Reclamation Estimate base amount calculated in 1994-\$

-This update adjusts the surety amount for escalation only.

The site was regraded in April and May of 2000 and a request

for the reduction of surety amount was made at the completion of this task.

-Escalation factors through 1999 are actual Means Historical Cost Indices

-Total disturbed area = 15.8 ACRES

CALCULATIONS	YR	ESCAL FACTOR	BOND AMOUNT
	1993	0.0261	\$0
$F = P(1 + i)^{**n}$	1994	0.0321	\$8,573
	1995	0.0193	\$8,738
F = Future Sum	1996	0.0242	\$8,950
P = Present Sum	1997	0.0236	\$9,161
i = Escalation Factor	1998	0.0502	\$9,621
n = number of periods	1999	0.0200	\$9,813
	2000	0.0313	\$10,121
Three Yr Average = 3.13%	2001	0.0313	\$10,437
Used to Project 5 Yrs	2002	0.0313	\$10,764
From the Year 2000	2003	0.0313	\$11,101
	2004	0.0313	\$11,448
	2005	0.0313	\$11,807

Updated Surety Amount Rounded (2005-\$) \$11,800

\*\* Average cost per acre = \$747 (\$/ACRE)

# RECLAMATION ESTIMATE

Rancho Equipment Services  
Topaz Valley Limestone Quarry

S/023/022 => M/023/022

Prepared by Utah State Division of Oil, Gas & Mining

last revision 02/04/94

filename M23-22.WQ1

Juab County

## Details of Final Reclamation

- Small mining operation converting to large mining operation
- All structures & equipment, trash & debris to be removed from the mine site
- All pads & new roads to be ripped to 6" depth, disked & seeded
- Quarry benches/highwalls blasted or regraded to 3h:1v
- ASSUME 2/3 quarry area has a highwall at reclamation
- Operator estimates maximum amount of salvageable topsoil as 4,000 CY
- Estimated salvageable topsoil spread 6" deep will cover approximately 5 acres
- Limestone fines to supplement topsoil for remainder of site; approximately 10.8 acres
- Entire disturbed area fertilized, mulched, disked & seeded (drill or broadcast)
- All drillholes not mined will be plugged according to DOGM rules
- Disturbed area=quarry(7.2)+ore stockpile(1.6)+waste stockpile(1.6)+access(1.0)+topsoil stockpiles(0.8)+process area(0.5)+storage (1.1)+haul road(2.0)
- Topsoil stockpile areas to be disked & seeded
- Total disturbed acreage (from BLM EA) = 15.8 acre

Activity	Amount	\$/unit	\$
Regrade 2/3 quarry to 3:1	4.8 acre	578	2,774
Place fines on quarry(12" deep) 11,616 CY	7.2 acre	578	4,162
Place fines on other areas(6" deep) 2,904 CY	3.6 acre	289	1,040
Rip stockpile pads & roads	6.6 acre	485	3,201
Place salvaged topsoil(6" deep) 4,033 CY	5 acre	289	1,445
Fertilize (200 lb/acre) & mulch(2,000 lb/acre)	15.8 acre	200	3,160
Disk & seed	15.8 acre	230	3,634
Remove trash & debris	15.8 acre	100	1,580
Plug drill holes	1 sum	1,000	1,000
Remove highwall berms	800 LF	3	2,400
Remove culverts	5 each	100	500
Mobilization	5 equip	1,000	5,000
	Subtotal		29,896
	Add 10% contingency		2,990
	1994-\$ Subtotal		32,886
	Add 5 yr escalation at 1.42%		2,402
	Total 1999-\$		35,288
	Rounded Total in 1999-\$		\$35,300

Average \$/acre =

\$2,234